

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CITIPOWER, LLC FOR)	CASE NO.
APPROVAL OF NOTE RENEWAL)	2004-00123

COMMISSION STAFF'S THIRD DATA REQUEST
TO CITIPOWER, LLC

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Citipower, LLC ("Citipower") file the original and 6 copies of the following information with the Commission with a copy to all parties of record. The information requested herein is due within 7 days of the date of this Data Request. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. In the Supplemental Comments filed in Citipower's response to Commission Staff's Data Request of August 30, 2004 ("Second Data Request"), the utility identifies the original November 11, 1997 Promissory Note for \$250,000 as a revolving line of credit.

- a. Provide, in detail, the purpose(s) for which Citipower used the funds.
- b. State whether the funds were used for regulated or non-regulated activities.
- c. If the funds were used for current operations, explain why the utility chose to incur debt rather than file with the Commission an application for a rate increase.

2. Citipower states in its Supplemental Comments that it is planning to segregate Citipower's regulated and non-regulated activities using a holding company structure. Given that the utility's current debt to the Bank of McCreary County matures on November 19, 2004, provide answers to the following:

- a. Provide the anticipated date for filing for approval of the reorganization.
- b. State whether the note will be renewed in its entirety or will be separated into smaller notes.
- c. If the note will be separated into smaller notes, provide the amounts and names in which the notes will be renewed.
- d. If the entire note or any part of the note will be renewed in Citipower's name, provide the terms and interest rate for the renewal.

3. In response to Item 2(b) of Commission Staff's Second Data Request, Citipower provided calculations for the 2003 and 2004 gas revenues and gas purchase costs. The 2003 gas revenues were calculated using \$13.4238 per Mcf and gas purchase costs were calculated using \$7.06560 per Mcf. For the 2004 estimates, the

per Mcf rates used were \$15.2500 and \$5.79000, respectively. Given that Citipower has not filed a rate case with the Commission to change its base rate and that changes in gas costs are passed on to customers, explain how the per Mcf rate used to calculate revenues in 2004 could increase by \$1.8262 while the per Mcf rate used to calculate gas costs decreases by \$1.2756.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED October 29, 2004

cc: All Parties